HON'BLE SRI JUSTICE C.V.RAMULU

WRIT PETITION No.5808 of 1999

Date: 13-07-2006

Between:

M/s. G.Subbirami Reddy and Company,
Rep.by its Managing Partner
Mr. G. Rammohan Reddy.

…Petitioner.

A n d

Government of Andhra Pradesh,
Rep.by its Secretary,
Irrigation and Command Area
Development Department,
Secretariat, Hyderabad and others.

…Respondents.

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O R D E R :

This writ petition is filed seeking mandamus declaring the action of respondents 1 to 3 in not releasing the payments due to the petitioner for the works executed by it under the Priyadarsini Jurala Project since the year 1996 as illegal and arbitrary, and consequently direct the respondents to release the amounts held as further security deposit along with interest.

It is the case of the petitioner that it is a firm registered under Class-I Contractor and has been in existence for the last several decades. It has taken various Governmental works and completed them successfully. While so, the petitioner firm was awarded contracts by the Government through tender process for various works viz.,

(a) LS Agreement No.30/86-87, dated 10-2-1987; (b) LS Agreement No.16/90-91, dated 25-3-1991; and (c) LS Agreement No.21/95-96, dated 20-1-1996 pertaining to Priyadarsini Jurala Project (PJP). Upon completion of the entire works, under the certificate to be issued by the Executive Engineer, the petitioner shall receive the final payment of all the monies due or payable under the contract except the money deposit retained as security. The amount withheld from the final bill will be retained under "deposits" and will be paid to the contractor after a period of six months. In terms of Clause-68, out of the payments due under lumpsum contracts, a percentage was deducted towards further security deposit for the completion of the work and withheld along with the Earnest Money Deposit. The amounts withheld for

the above mentioned three works are as follows.

i) For the work under item (a) : Rs.4,72,088-00
ii) For the work under item (b) : Rs.4,97,812-00
iii) For the work under item (c) : Rs.1,88,219-00

It is also the case of the petitioner that the authorities acting upon the request of the petitioner firm invested the following sums in fixed deposit with the Corporation Bank, Himayatnagar Branch:

1. Rs.4,70,000/- out of the F.S.D. pertaining to item (a) on 20-5-1998 with quarterly interest of Rs.13,512.50 ps.
2. Rs.4,95,000/- out of the F.S.D. pertaining to item (b) on 20-5-1998 with quarterly interest of Rs.14,231.25 ps.
3. Rs.1,85,000/- out of the F.S.D. pertaining to item (d) on 20-5-1998 with quarterly interest of Rs.5,318.75 ps.

Since the authorities are not settling the accounts and releasing the amounts, apart from the interest on the deposits, the petitioner filed the present writ petition.

In the counter affidavit filed by the respondents, it is stated that the Executive Engineer, PJP Dam, Division No.1, Revulapally reported that the above works entrusted to the petitioner were completed in the year 1995-96, but the works could not be finalized due to the following reasons.

1. Revised Estimate and 7F accounts to be finalized.

2. The Officers who had executed the works were transferred, there is acute shortage of Engineering staff to take up and finalise the Revised Estimate and other accounts.

It is also stated that unless the revised estimate is sanctioned by the competent authority and other relevant accounts are finalized, it is not possible to release the final payment due to the contractor. It is also stated that to expedite sanction of the revised estimate and finalizing other accounts to release final payment is being done.

However, at the time of hearing, learned counsel for the petitioner

submits that in view of the interim orders passed by this Court, the interest earned on the F.S.D. is being regularly paid to the petitioner.

In view of the above, there is no necessity of going into all the details. It is suffice to direct the respondents to finalise the bills of the petitioner against those three agreements, within a period of three months from the date of receipt of a copy of this order. Further, the amounts deposited in the F.S.D. shall not be withdrawn or claimed till the bills of the petitioner are finalized, without reference to the objections raised by the Accountant General, since such a recital does not find place in the agreements entered into between the parties.

Accordingly, the writ petition is allowed to the extent indicated above. No costs.

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(C.V. RAMULU, J)

13-07-2006.
Msr.

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(Msr)